

## **Introduction**

1. Spouses and civil partners accompanying Service personnel on overseas assignments may be unable to work while overseas and therefore not pay UK National Insurance contributions. This is likely to create a gap in the spouse or civil partner's National Insurance record, which could jeopardise entitlement to the basic State Pension and contribution based Social Security benefits such as Jobseeker's Allowance, and Employment and Support Allowance.
2. From 6 April 2010 spouses and civil partners accompanying Service personnel overseas will be entitled to claim National Insurance credits to maintain their National Insurance record. These credits will not, on their own, entitle a person to benefits but they will maintain the position that was held on departure from the UK to accompany a Service spouse/partner on an overseas assignment.
3. These National Insurance credits relate only to the UK National Insurance and UK Social Security systems.
4. This cross-government initiative between MOD, HMRC and DWP, forms part of the overall commitment to support Service families set out in the Service Personnel Command Paper – 'The Nation's Commitment to the Armed Forces', published in July 2008.
5. The purpose of this DIN is to inform all Service personnel of the availability of these credits and to inform unit staff of the requirement to validate applications for the credits.

## **Who can get these National Insurance Credits?**

6. To be eligible for the National Insurance credits a person must:
  - a. Be married to a member of HM Forces (their spouse), **or**
  - b. Have registered a civil partnership with a member of Her Majesty's forces (their civil partner),

**and**

  - c. Have accompanied their spouse/civil partner on an accompanied assignment outside the UK after 6 April 2010.
7. These National Insurance credits are not available for any period before 6 April 2010. For example if the accompanied assignment outside the UK began on 1 January 2007 and ended on 30 June 2010 the National Insurance credits can only be claimed for the period 6 April 2010 to 30 June 2010.
8. Nationality or citizenship does not affect entitlement to these National Insurance credits.

## **How to Apply**

9. To obtain these National Insurance credits a spouse/civil partner must apply to Her Majesty's Revenue & Customs (HMRC) on the form at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

The form is only available on-line and must be printed and completed in hard-copy. Once completed the form must be signed and stamped by the Unit Families Officer or Welfare Officer to validate the application. Before signing the form the Unit Families Officer or Welfare Officer must verify that the information provided on the form is correct.

10. Once validated the form will be returned to the applicant who must send the application to:

HM Revenue & Customs  
National Insurance Contributions Office Individuals Caseworker  
Decision Making Team  
Room BP2202  
Benton Park View  
NE98 1ZZ

### **National Insurance Number**

11. The spouse/civil partner must have a UK National Insurance number (NINO) in order for National Insurance credits to be allocated. This will create a National Insurance record on which the credits can be recorded.

12. A fast-track application process for the issue of a new NINO has been agreed between MOD, HMRC and the Department for Work and Pensions (DWP). On receipt of the application for National Insurance credits, HMRC will pass the applicant's details to DWP. If an existing NINO cannot be found, the DWP will contact the applicant at the address supplied on the application form. The applicant will then have to apply to DWP for a NINO; this application will be fast-tracked through the NINO allocation process and, provided the applicant is eligible, a NINO will be allocated. Once a NINO has been identified or a decision made on the allocation of a new one, DWP will inform HMRC who will continue to process the National Insurance credits application. A flow diagram of this process is at Annex A.

### **Working for an employer whilst outside the UK**

13. A spouse/civil partner may start or continue to work for an employer whilst outside the UK and pay UK National Insurance contributions throughout the period of employment. In this situation the spouse/civil partner should check with the employer that UK National Insurance contributions are being paid. National Insurance credits can be claimed for any period outside the dates of the employment, in order to ensure that there are no gaps in the National Insurance record.

### **Self-employed whilst outside the UK**

14. A spouse/civil partner may start or continue self-employment whilst outside the UK. In this situation they will be liable to pay self-employed Class 2 National Insurance contributions. However, the National Insurance credits should still be applied for as Class 1 National Insurance credits are more beneficial than Class 2 National Insurance contributions. Class 1 credits can be granted while Class 2 contributions are being paid.

- **Class 1** National Insurance contributions count towards entitlement to the State Pension, bereavement benefits and some other state benefits
- **Class 2** contributions count towards certain benefits, like the basic State Pension, Maternity Leave and Bereavement Benefit. But they do not count towards the additional State Pension, Statutory Sick Pay or Jobseeker's Allowance.
- **Class 3** (voluntary contributions) count towards bereavement benefits and Retirement Pension.
- **Class 4** contributions do not count towards any benefits. However, you still have to pay these if you are self-employed and have profits over a certain level.

### **Voluntary payment of Class 2 or Class 3 National Insurance contributions**

15. Some people voluntarily pay Class 2 or Class 3 National Insurance contributions in order to maintain their National Insurance record. A person entitled to the National Insurance credits for a full tax year does not need to pay any voluntary National Insurance contributions for that tax year.

16. If the entitlement to the National Insurance credits is for only part of a tax year, it will be necessary to pay voluntary National Insurance contributions for the other weeks in the year if that year is to count towards the basic State Pension entitlement and bereavement benefits.

17. Where there is a need to pay some voluntary National Insurance contributions, they should only be paid for the weeks for which the National Insurance credits cannot be claimed. Applicants can check how many weeks to pay for once the National Insurance credits have been awarded, by contacting the National Insurance Enquiry Helpline on **0845 915 5996**.

18. It may not be possible to get a refund of voluntary National Insurance contributions paid for any week for which National Insurance credits are later successfully claimed. If there is no need to pay voluntary National Insurance contributions, any existing payment arrangements should be cancelled.

### **Receiving other Social Security benefits whilst outside the UK**

19. Anyone receiving Employment and Support Allowance whilst outside the UK, provided it is received throughout the whole period of the accompanied assignment outside the UK, is already entitled to National Insurance credits. Therefore, there may not be a gap in that person's National Insurance record.

20. A person receiving Child Benefit and/or Tax Credits but no other UK Social Security benefit should still apply for the National Insurance credits, as they may provide entitlement to UK Social Security Benefits such as Jobseeker's Allowance and Bereavement Benefits.

### **Time limits for applications**

21. An application for National Insurance credits can be submitted once the confirmed end date for the accompanied assignment outside the UK is known. However, as family movement dates are not always exactly the same as assignment

dates the application should wait until the date is known when the spouse/civil partner will permanently leave the overseas location. It is the date of departure from the overseas location that will be the end date for the award of National Insurance credits.

22. An early application may not be accepted by HMRC. However, an application should be prepared, if not sent, before departure from the overseas location in order to ensure that the application can be validated by the Unit Welfare Officer or Families Officer.

23. An application should reach HMRC before the end of the tax year following the one in which the accompanied assignment outside the UK ended.

***For example, if the accompanied assignment outside the UK ended on 31 May 2010, this is in the tax year that runs from 6 April 2010 to 5 April 2011. Therefore, the validated application must be received by HMRC before the end of the next tax year - which runs from 6 April 2011 to 5 April 2012. In this case, if it is received later than 5 April 2012, it might not be accepted***

### **Returning temporarily to the UK**

24. Temporary return to the UK of either the serving or non-serving spouse or civil partner will not affect entitlement to these National Insurance credits (e.g. for leave, training course, hospital treatment etc).

### **Back-to-back postings**

25. A separate validated application should be submitted at the end of each accompanied assignment outside the UK. If the serving spouse/civil partner is reassigned to another assignment outside the UK, (e.g. moving from Germany to Cyprus) a separate application must be submitted at the end of each assignment.

### **Accompanied assignment ends earlier than planned**

26. If the accompanied assignment outside the UK ends earlier than planned (for example, because of a relationship breakdown), then a validated application should be sent as soon as the exact end-date is known when the applicant will cease to occupy the Service Family Accommodation outside the UK.

### **Instructions for Unit Welfare Officers and Families Officers Validating Applications**

27. HMRC require that applications for National Insurance credits are validated to confirm that the applicant is a bona fide Service spouse or Civil Partner and that the information given by the applicant is accurate. It has been agreed that the Unit Welfare Officer or Unit Families Officer or equivalent will be responsible for checking the information provided against entries on JPA to validate applications. In order to validate the form the validating officer must:

- a. Check that the applicant is the spouse or civil partner of a serving member of that unit.
- b. Confirm that the assignment was an accompanied assignment.

- c. Check that the dates given on the application form for the start and end of the accompanied assignment agree with the assignment dates shown on JPA for the serving spouse/civil partner and the start and stop dates for family LOA.
- d. Sign the form.
- e. Enter their name and telephone number or e-mail address.
- f. Apply the unit stamp to the form.

On completion of the validation the form is to be returned to the applicant for onward transmission to HMRC at the address shown in paragraph 9.

### Further Information?

Further information can be obtained as follows:

Subject	Source of further information
The legislation providing for these new National Insurance credits	<a href="http://www.England-legislation.hmso.gov.uk/si/si2010/pdf/uksi_20100385_en.pdf">http://www.England-legislation.hmso.gov.uk/si/si2010/pdf/uksi_20100385_en.pdf</a>
The Explanatory Memorandum for these National Insurance credits	<a href="http://www.England-legislation.hmso.gov.uk/si/si2010/em/uksiem_20100385_en.pdf">http://www.England-legislation.hmso.gov.uk/si/si2010/em/uksiem_20100385_en.pdf</a>
National Insurance and benefits that depend on National Insurance contributions	<a href="http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/DG_4015904">http://www.direct.gov.uk/en/MoneyTaxAndBenefits/Taxes/BeginnersGuideToTax/DG_4015904</a>
UK State Pension	<a href="http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm">http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm</a>
UK Social Security benefits	<a href="http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/index.htm">http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/index.htm</a>
To claim Jobseeker's Allowance or Employment and Support Allowance	Call: 0800 055 6688 ( <i>UK calls only</i> ).